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ABSTRACT

Recent economic and technological changes, as well as changes in the very nature of work, have forced business institutions to redirect themselves. Consequently, human resource development (HRD) activities are no longer a group of diverse practices at the periphery of a few organizations. Rather, the scope of HRD has expanded to include solving critical organizational problems, meeting competitive challenges in the marketplace, and seizing new business opportunities. The American Society for Training and Development (ASTD) must respond to and even anticipate these changes, for its chief operating environment is the contemporary workplace. The ASTD must provide leadership in developing training that responds to specific company needs and goals. To meet corporate goals of increased productivity, enhanced competitive advantage, technological superiority, and development of a new business strategy, ASTD members must respond by providing quality training that fosters employee involvement in such areas as marketing and sales, customer training, customer service, technical skills (especially computer literacy and related information-age skills), and management development. Traditional classroom-based instruction is already beginning to give way to nonclassroom instruction involving either computers or other technological advances such as interactive video. The need for training that is easier to control and update and more responsive to individual needs is clear. (MN)

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Serving The *New* Corporation

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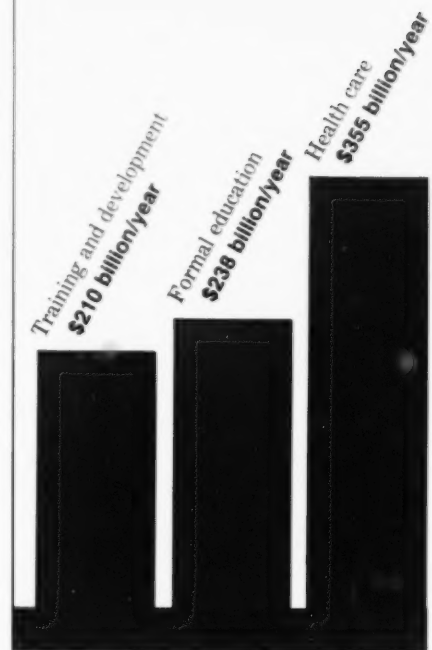
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Facts About Human Resource Development

- ▶ Training and development is comparable to higher education in complexity and nearly comparable in size.
- ▶ Training and development—\$210 billion per year
Formal education—\$238 billion per year
Health care—\$355 billion per year
- ▶ Employee training by employers is the largest delivery system for adult education.
- ▶ As of 1985, 18 corporations were offering college-level degree programs. By 1988, at least 13 more corporations will be operating their own colleges.
- ▶ It is training and not formal education that provides most job skills. It also retrains about 70 percent of executive, professional, and technical workers.
- ▶ Formal education accounts for only a 15 percent variation in lifetime earnings, compared to 85 percent generated by workplace learning.
- ▶ Training provides most skills acquired after age 25 and all skills for two out of three jobs.
- ▶ Of the 40 million new jobs created in the past 15 years, only five to six million were

in high-technology areas. The real challenge to training is the need to reskill America's workers for an information age and a service economy. By the year 2000, 75 percent of all workers currently employed will need retraining.

- ▶ Several million American workers are covered by union bargaining agreements that contain components for education and training.
- ▶ In the past five years, employee participation in training programs has increased and the number of training professionals has increased as well. For example, participation of first-line supervisors increased 40 percent.
- ▶ In a 1985 study, 6 out of 10 employers had started new training programs in the previous two years.
- ▶ Nine of 10 of the country's largest companies (89 percent) designate a chief human resource executive at the corporate level.



Introduction

"We got so tied up in our techniques, devices and programs that we forgot about people—the people who produce the product or service and the people who consume it."

Peters and Austin
A Passion for Excellence

This paper presents a framework for thinking about the present state of human resource development and its relation to the mission and strategies of the American Society for Training and Development. ASTD's mission is to provide leadership to individuals and organizations for a field that is growing in importance in our society. Its strategy for accomplishing this mission is to become employer based and market driven.

For the purposes of this paper, human resource development refers to the broad range of activities that produce employee learning and development. These activities, now quite enormous in size and scope, have been building since the 1940s. But because they were delivered by no single institution, were the subject of no law or policy, and went on quietly and efficiently, they grew invisibly, a silent postscript to employees' formal education.

Human resource activities are no longer a group of diverse practices on the periphery of a few organizations. The importance to the American economy of work-related learning is at last widely recognized. As organizations return, in turbulent times, to basic questions about their nature and purposes, the contribution of skill and behavior development to corporate performance is clear. Consequently, the field has moved far beyond isolated attempts to teach specific skills to workers to include complex strategic systems for solving critical organizational problems and meeting competitive challenges in the global marketplace.

The practices are so widespread and cover so many aspects of human development in the context of work that many people performing them would not define themselves as human resource developers. It is to this larger world that ASTD now wants to address itself in its role as the chief representative of organizations and individuals concerned about employee learning and development.

This paper will look at the size and scope of those human resource development practices that have been measured and place them in the context of other factors affecting performance, adaption and productivity. It will encourage human

resource practitioners to see their profession in this larger context. It will discuss the field in terms that are credible to the corporate world in which it operates and which it serves. It will argue that human resource development is critical to no less a goal than maintaining the nation's competitive advantage. It will show that the field is at last converging around a common purpose—serving the goals of the corporation in a competitive world market.

The field is not lacking in size or scope, but it has lacked cohesiveness and presence. The application of knowledge to human work has been practiced for decades by executives, managers and others, though not always with the assistance or direction of training professionals. Such people do not recognize that they are part of a learning delivery system, even though they may train and develop others throughout their working lives. They may not even think of learning as the process that drives growth and development in a business sense. Many who see themselves as managers, engineers, marketers, chemists, or sales managers, for example, spend time on the job training others. They tend to be rewarded and recognized by their peers on the basis of their professional expertise rather than their ability to transmit functional or professional knowledge. As economic change accelerates, however, it is the ability to train and develop others effectively and efficiently that will be critical to the organization.

Like management, whose practice was commonplace long before theorists organized its principles, human resource development is a widespread but largely unrecognized discipline. But it is a discipline that finally is coming of age and coming to life independently in a number of areas; in the consciousness of certain CEOs and exemplary companies; in business school curricula; in the business press; and in the thinking of business leaders, theorists, economists, and politicians.

The challenge to ASTD is to build on its solid base of HRD professionals and connect and represent all those diverse people and practices that float under the concept if not the name of human resource development.

"In the new information society, human capital has replaced dollar capital as the strategic resource. People and profits are inexorably linked."

Naisbitt and Aburdene
Reinventing the Corporation

What Is Human Resource Development and Why Does It Matter?

Most attempts to define human resource development founder in territorial disputes within the discipline itself. There is little agreement about what the field includes and there is no term for

it that the outside world recognizes and understands readily. HRD can include almost anything from a single training incident to entire systems for achieving strategic goals within an organization. To a large extent, HRD is defined by the uses that individuals make of it. Its common denominator is that it produces learning of skills or behavior on the part of employees, groups of employees, or organizations.

A problem with such a broadly conceived field is that it is hard to measure and define and it is therefore hard for people outside the field to recognize it and identify with it. So it is especially important to describe HRD in terms that are credible and familiar to the world in which it is practiced and in which it seeks recognition—the contemporary workplace. One such frame of reference is size.

Big and Growing Bigger

No one has yet found a way to measure accurately the size of human resource development, the extent to which it is practiced, or the amount of money it costs employers, yet by all accounts it is a huge enterprise.

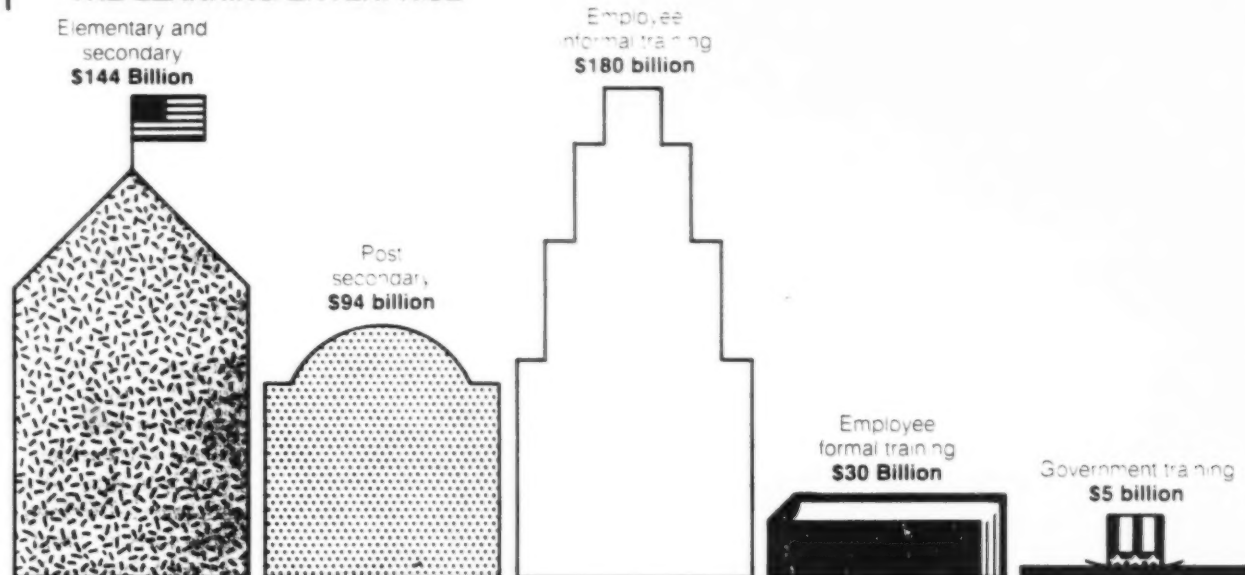
Such statistics as have been assembled describe mainly formal and informal training programs. The discussion of size and scope which follows, refers to formal modes of learning (courses, programs, etc.) but also to informal modes such as supervision, observation of fellow-workers, learning from one's mistakes, reading, self-study, and other unstructured ways of acquiring work skills in the course of doing one's job.

No empirical survey has succeeded in developing a definitive economy-wide estimate of the amount of employee training. Nevertheless, one estimate, made for ASTD in 1981, is accepted by researchers and practitioners as the most reliable among necessarily imperfect measures. This estimate states that about \$30 billion annually is spent on formal employee training.

The larger portion of adult, job-related training is even less measurable than formal training. Much of this training is structured and organized and is designated informal only because it is not part of a formal planning budgeting process. The cost of so-called informal learning, on the job, acquired in the process of working, is estimated to be \$180 billion annually.

1

THE LEARNING ENTERPRISE



Source: Anthony P. Carnevale

Total spending for formal and informal training thus adds up to an astonishing \$210 billion per year.

The figure of \$210 billion spent annually by employers for "training," even if rough and partial, is a means of comparison to other kinds of industries. Formal education is a \$238 billion industry; health, \$355 billion; aerospace, \$80 billion. It appears that employee training by employers is by far the largest delivery system for adult education (see Figure 1).

The employee learning business is big, both in terms of expenditure and the number of people delivering and receiving it. And it is growing. The Conference Board, in a 1985 study, found that in the past five years employee participation in training programs increased and that the number of training professionals increased as well. "The proportion of employees participating each year in education, training and development

programs increased more often than it decreased in all major personnel categories." (See Figure 2.)

The Conference Board found that the number of training professionals had increased in nearly two-thirds of the firms they surveyed. Increases were highest in financial companies and lowest in the industrials (see Figure 3).

The Conference Board noted that growth had been "qualitative as well as quantitative," according to some respondents. It quoted this comment from a GE executive, "The net effect has been to reduce the number of courses but to make for higher-quality participants and for wider coverage of those who have been identified as target populations."

2

CHANGES IN EMPLOYEE PARTICIPATION IN TRAINING¹ (BY PERCENTAGE)

Employee category	Percent of companies reporting ^a				
	Increase		Little or no change	Decrease	
	Large	Small		Small	Large
Senior or upper-middle managers	24	25	41	3	4
Middle managers	34	32	27	2	4
First-line supervisors	40	32	22	3	4
Professional and technical	23	40	32	2	3
Sales and marketing	27	31	32	3	4
Secretarial and clerical	15	28	51	4	2
Operating and craftsmen	15	28	51	4	2
Other	6	12	77	—	4

^aDuring past five years.

Details do not add to 100% because of rounding.

Source: Seymour Lusterman, *Trends in Corporate Education and Training*, Conference Board, 1985.

few applicants qualified for entry-level jobs, and fast-growing occupations, corporations will have to rely on training to produce the human capital they will desperately need. Corporations will vie to attract workers and one of the enticements will be training and development opportunities.

The Economy, Jobs, and Technology

In the supposedly declining economy of the past 10 to 15 years, 40 million new jobs were created as baby boom boys reached working age in the '70s and '80s, and, what few had foreseen, married women came into the labor force in great numbers. The economy created or absorbed this unexpectedly large influx through a shift in the creation and growth of jobs, which in turn created a need for training. While jobs were being lost in traditional sectors such as manufacturing, government, education and hospitals (the large institutions), new jobs appeared in small to medium-sized companies. The workers being displaced from the declining industries need retraining, but they are a far smaller group than those in newly created jobs requiring new skills. Of the 40 million new jobs created in the past fifteen years, only 5-6 million were in high-technology areas. The real challenge to training, and the greater source of training demand, will come from the need to reskill America's workers in an information age and a service economy.

Environmental Factors

There are some environmental factors that guarantee that the corporate learning industry will probably grow much bigger in the next few years, and women in the labor market.

In the 1970s, women entering the labor market for the first time, and baby boom males, provided corporations with plenty of competent, qualified talent for most jobs. But by the 1990s, the percentage of women entering the market will level off and the baby boom males will have moved through the system. In the ensuing baby bust era, competition for qualified employees will be keen. Because this smaller labor pool will include

An Information Society

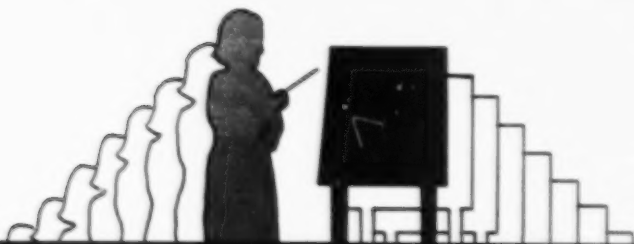
We have become an information society, organized, as Peter Drucker points out, around information in the manner of a biological organism. In a mechanical model, growth or change is produced by manipulating physical properties; no human factors need intervene. But in an information model, growth and change depend heavily on human skills.

In an information society, human capital replaces dollar capital as the strategic resource. The task of endowing this resource with wealth-producing capacity, to use Drucker's definition of an entrepreneur, falls heavily on the shoulders of those who can provide workers with learning. In a constantly changing information environment, the corporation becomes an educator whose chief task is not to teach ever more impossible amounts of information but to train employees to learn, think, and create.

These will be among the critical business skills in an information society. And who is more likely or better able to provide them than a profession that has for decades developed the application of learning to work?

The Quest to Learn More

Another influence on the future demand for training and development will come from its recipients. The college-educated, accustomed to continual learning, and the unskilled, encouraged by labor unions to expect training, will



3 CHANGES IN TRAINING STAFF SIZE, BY INDUSTRY (PERCENT OF COMPANIES)

	Number of staff members					
	At the corporate level			At divisional or other levels		
	Increased	No change	Decreased	Increased	No change	Decreased
Top industrials	38	38	24	48	38	14
Other industrials	55	32	13	32	51	17

Source: Seymour Lusterman, *Trends in Corporate Education and Training*, Conference Board, 1985

create demand for education.

Several million American workers are covered by union bargaining agreements that contain components for education and training, though only about three percent participate each year. Most such programs are linked to traditional education (colleges or community colleges) as they have been since the 1920s, but recent agreements such as the Employee Career Development Plan, administered jointly by Ford Motor Company and the UAW, indicate that more training is being provided by employers themselves.

Meanwhile, unions support training as a means of protecting workers against loss of employment and of extending their working years. And they know that it appeals to the values of a younger, more educated and less loyal work force, which they would like to attract to union membership.

Why HRD Matters to Organizations

There is "an underlying transformation in the organization of work in modern society, one which is expressing itself in broad concern with general management and the full utilization of human resources in the workplace."

Fombrun, Tichy and Devanna
Strategic Human
Resource Management

Revolution. Crisis. Transformation. These are the kinds of words people use to describe the events in corporate America in the seventies and eighties. Companies across America, though technologically precocious and fully staffed, nevertheless lost their competitive edge. When American management techniques failed to maintain equity and steady growth, serious questions arose about the way American business was run, and the answers, from popular to scholarly sources, pointed to neglect of people in the business equation.

The dramatic growth of corporate mergers and takeovers in recent years and the effects on certain industries of deregulation, have forced many businesses to rethink the way they manage. Companies not only perceive a need for different kinds of products but for different skills and ways of thinking.

The quality of excellence, made famous by Tom Peters in two best-selling books, is said to stem from close attention to the customer. A Conference Board Report on "Trends in Corporate Education and Training" notes that many corporations are becoming more market oriented. Airlines and banks are most typical of this movement, but the phenomenon of paying attention to the customer and considering every employee a salesperson is noted throughout corporate America.

This role, new to many industries, requires extensive training to accomplish successfully. Bank of America's director of corporate human resources development

reported "a 500 percent increase in sales training from 1983 to 1984" in the bank's consumer marketing division.

The DuPont Company is a typical example. Though one of the most profitable chemical companies in the world in the 1950s and 1960s, DuPont hasn't had satisfactory earnings since its peak in 1979. Over the years it developed a highly layered, risk-averse organization. It ignored customer needs and market changes, presuming that it could continue to invent products that would carry it through. When it continued to fall behind the pack, economic reality forced DuPont to change the way it does business. Like other industrial giants such as Procter and Gamble, Ford and AT&T, DuPont is attempting to remain profitable by altering its approach to business in a competitive environment. Its new culture strives to recognize individual responsibility. Self-management is promoted. Management layers are trimmed and responsibility pushed downward. One employee summed up the old atmosphere this way. "It wasn't that people didn't have ideas. But they were surrounded by every system and control that a large corporation can develop."

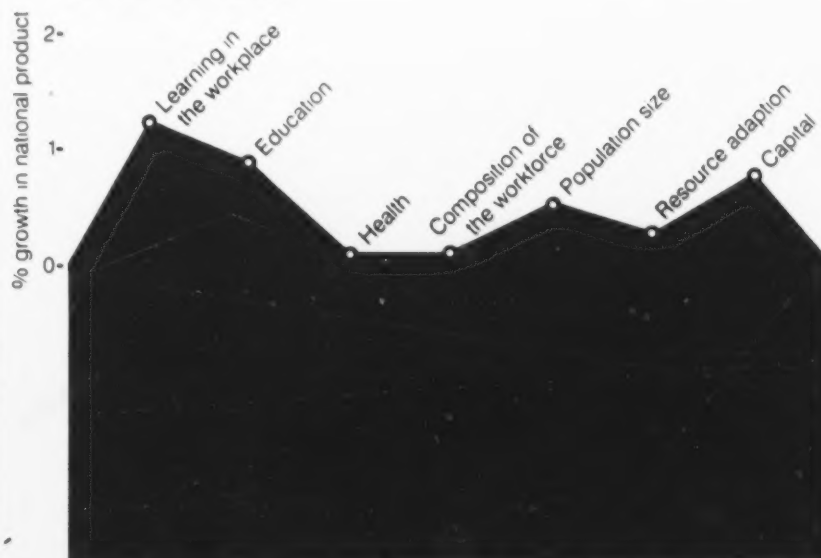
Human Capital and Growth

The development of the capability, attitudes and relations of workers is a front-end investment that yields benefits over time. When labor and capital decrease or remain fixed, it is still possible to increase learning. Then training becomes a strategy, a chosen way of competing in the marketplace through a series of decisions about how employees will be developed, deployed, motivated, and controlled.

Workplace learning—formal and informal—provides substantial benefits to individuals in the form of increased earnings and to institutions in the form of increased productivity. Analysis of data available as far back as 1929 consistently shows that human factors are the major source of growth in individual earnings, institutional productivity, and national income (see Figure 4).

The availability of labor and technology do not account for growth: their integration into the workplace does. People are the key to productivity and performance in the marketplace. Team productivity, supported by formal and informal training and development, is a powerful lever for maintaining the nation's competitive advantage. And human resource development practices are the most effective methods for managing the changes being forced on American corporations by the harsh economic reality of the world marketplace. The contribution of training and development has never been more critical or significant. American business is finally paying more attention to the goose than to the golden eggs.

4 COMPONENTS OF GROWTH IN ECONOMIC OUTPUT FROM 1980-1990



Source: Anthony P. Carnevale, American Society for Training and Development

Politically Relevant

Until the late sixties, the economy mobilized jobs, productivity and a quality labor force on its own. Since then, however, inflation, unemployment and international competition have exposed some inadequacies in our competitive performance. Consequently, human resource development has drawn the attention of politicians.

People programs and those that support productivity are good politics for both parties, and some of the national interest in HRD programs is purely political.

"In my travels around corporate America, . . . I have been struck by an ever-louder echo of the same question: how to stimulate more innovation, enterprise and initiative from people. In every sector, old and new, I hear a renewed recognition of the importance of people, and of the talents and contributions of individuals, to a company's success."

Rosabeth Moss Kanter
The Change Masters

The Democrats need a human resource plank because they are a coalition of separate groups—women, minorities, labor—and they need a unifying concern. They also want to appear to support productivity and not to be seen primarily as consumers of benefits and tax dollars. Their attention is shifting from the disadvantaged person outside the employment structure to the employee within.

The Republicans are interested in productivity improvement programs because it suits their image as the party of sound business management. By supporting human resource development programs they can add to their concern for growth, autonomy, and opportunity within the private sector: a much needed image of concern for people.

Training is a negotiating point in the current tax debate. The trend to give tax subsidies for machine capital is ending, but business, wishing to keep the level of tax subsidies constant, will be looking for others and training is the *only* area where increases are being proposed. The training tax credit will become a level playing field for the contest between investment in machines vs. investment in people.

Politically, HRD is an idea whose time has come. It's a people policy, which both parties need. It affects productivity, which neither party can ignore; it is a common thread among coalitions, which serves the Democrats; and it is done in partnership with business, which serves the Republicans.

Legislation That Could Make a Difference

Approximately 80 proposed bills currently before Congress contain language about training.

Among the 20 or so that would affect employee training directly are three that could have a substantial financial impact. Some experts estimate that as much as \$10 billion could become available for training through these bills.

The first is the Employee Education Assistance Act which would, through a section of the Tax Code, allow the exclusion from a company's gross income of employer-provided educational assistance. The exclusion could be as high as \$5,000 per year per employee.

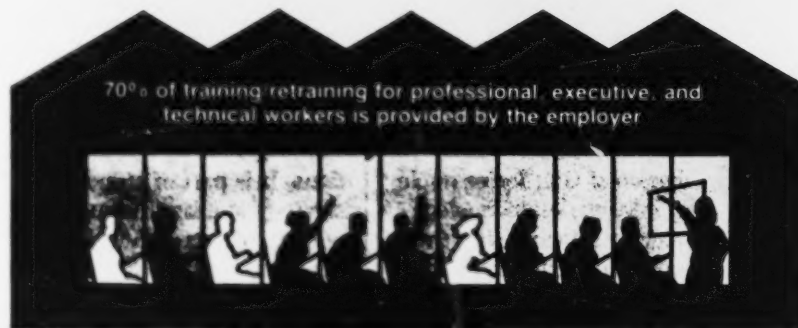
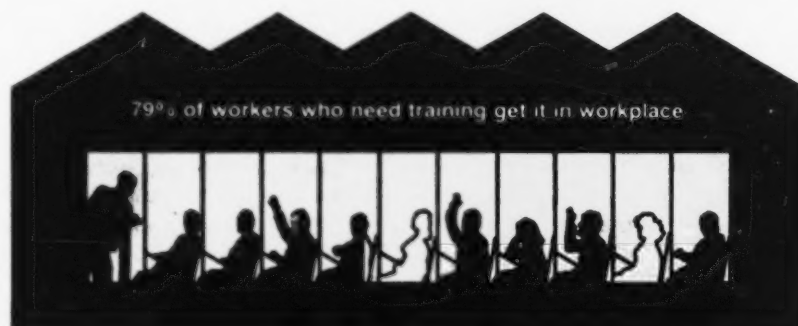
A second important piece of legislation in the works is the National Training Incentives Act through which employers could deduct 25 percent of skills training expenses that exceeded past average expenditures. By some estimates, this bill could add upwards of \$4.5 billion to the national training coffers.

Also on the docket is the Trade Adjustment Assistance Extension and Reform Act, a proposed extension and modification of existing legislation. The act would use a one percent tax on imported goods to provide unemployment benefits for workers losing their jobs to foreign trade and would provide individuals with \$4,000 vouchers to be used for retraining, either within the corporation or elsewhere.

Any of these bills, if passed, could add substantially to the money available for employer-provided training.

5

LEARNING AND EARNING



Variations in lifetime earnings



Learning and Earning

It is training and not formal education that provides most job skills.

Two out of every three Americans say they learned everything they need to know to do their job on the job and not in the classroom.

Among employees, other than professional and technical workers, 79 percent of those who need training to get their jobs get some or all of that training in the work place (see Figure 5).

It is also employer-provided training and not formal education that provides the retraining of about 70 percent of executives, professionals, and technical workers.

Job-related learning experiences are more important than formal education in determining what a person will earn. Formal education accounts for only a 15 percent variation in lifetime earnings, compared to 85 percent generated by workplace learning. Training picks up where formal education leaves off, providing most skills acquired after age 25 and all the skills for two out of three jobs. Even a well-educated person needs to be taught how work is done in a particular organization.

Big Changes in the Training and Development Industry

"Education and training programs have changed significantly in most large U.S. corporations during the past five years."

The Conference Board, 1985

There is general agreement from a number of sources that training is a growth industry. Training and development programs have grown in size, scope and importance. What is making them grow?

The first influence is technological change and the inevitable learning requirements that come with it. The application of computers to almost every phase and level of work is a principal force behind new training needs. It is hard to name a business procedure, a manufacturing operation, or an office skill that cannot be "computer-assisted," and the need for employees at all levels to learn new information-age skills drives the growth of training and development in many companies. The Saturn Division of GM, for example, is applying information technology to the production of cars, with the help of its own computer company, Electronic Data Systems.

In other companies, technological change requires constant updating of skills to remain competitive in the marketplace. "Technological change is the main force now driving education and training in our company," says a Xerox executive. A General Electric training manager comments, "Technologies are changing so fast that adapting to them is taking a bigger share of the training dollar."

A second influence on the growth of training and development has nothing to do with technology and it comes from companies themselves. Buffeted by change, spurred by competition, let down by familiar management practices, goaded by merger and deregulation, often desperate to keep a competitive position in the marketplace,

organizations, from the top down, are beginning to recognize the human resource as an asset to be developed, possibly the only one still capable of producing desperately needed productive growth.

From such adverse circumstances come a whole set of skill requirements related strictly to people and not to technology, for the development of human capital requires learning how to motivate, how to lead, how to think and create, how to nurture, inspire and reward performance. The corporation's competitive edge is a skilled work force.

Providing employees with skills has been the work of the training establishment for decades. What is different now, and what contributes significantly to the growth of training, is that it is related by design to the stated purposes of organizations. It is part of corporate strategy in a significantly large number of successful companies, not just the IBM's of the world.

Corporate leaders are seeking more from the training function, and though there will no doubt continue to be the isolated, reactive kinds of training programs that have characterized the profession for a long time, current practices reported in a variety of studies suggest that a major shift is underway.

Shift of Emphasis (The End of "Nice-to-Know")

Not only are corporations providing more education and training, but it is of a different kind. Large numbers of companies, including exemplars such as GE and

Xerox, report a major reorientation toward "needs-driven" education and training. Instead of providing a patchwork of unconnected training courses, covering topics deemed "nice-to-know," companies are developing training programs tied to their strategic goals. Courses are more practical and build skills rather than provide information.

A 1984 study by the Opinion Research Corporation shows that increased concern about productivity is causing more concern about individual performance. Hence, while there are still large numbers of individual development programs, they are directed at corporate rather than individual goals and are attempts to improve performance rather than satisfaction.

A survey of corporate practices in human resources conducted by Towers, Perry, Forster, and Crosby, shows that external issues are decreasing in importance for corporations while internal issues are becoming more important. Managing the business in times of change is a chief concern reflected in types of training and development offered. Societal issues and political issues, such as those which affected the workplace through EEO programs, are decreasing in importance. The human resource field is turning its attention from regulatory issues, such as EEO compliance, to business issues such as team productivity.

Productivity improvement, motivation in a slow growth economy, managing and training technical talent, and motivating when career options and rewards are limited, are all training growth areas, according to TPF&C.

Shift of emphasis

From

Nice-to-know information
Unconnected courses
HRD driven by external issues
Individual goals
Employee satisfaction

To

Needs-driven education
Programs tied to strategic goals
HRD driven by internal issues
Corporate goals
Improved employee performance

An extensive report by Hay Associates, linking employee attitudes to corporate growth and profitability, pinpoints a strong need for better management and leadership training.

The Conference Board reports that attitudinal changes, as well as skill building, are the focus of more and more training programs. Executives they surveyed report "a strong new stress on the development of competencies—entrepreneurial, marketing and others—that are, in effect, a new way of thinking."

General Electric, an executive reports, is "getting tough on the soft issues of culture, motivation and leadership in order to "win in a global marketplace." Developmental programs for managers at GE's Crotonville facility reflect that goal. Managers receive training in global competition, and in GE's entrepreneurial culture, in addition to training in management, marketing, finance, and other functional courses.

The 1985 *Training and Development Journal* Readership Survey, conducted by Opinion Research Corporation, also confirms that management development is a leading subject of formal training programs. According to this survey, 83 percent of respondents conduct management training and development programs.

In a 1984 survey by *Training* magazine, nearly 90 percent of respondents reported offering some type of formal training in management skills and development.

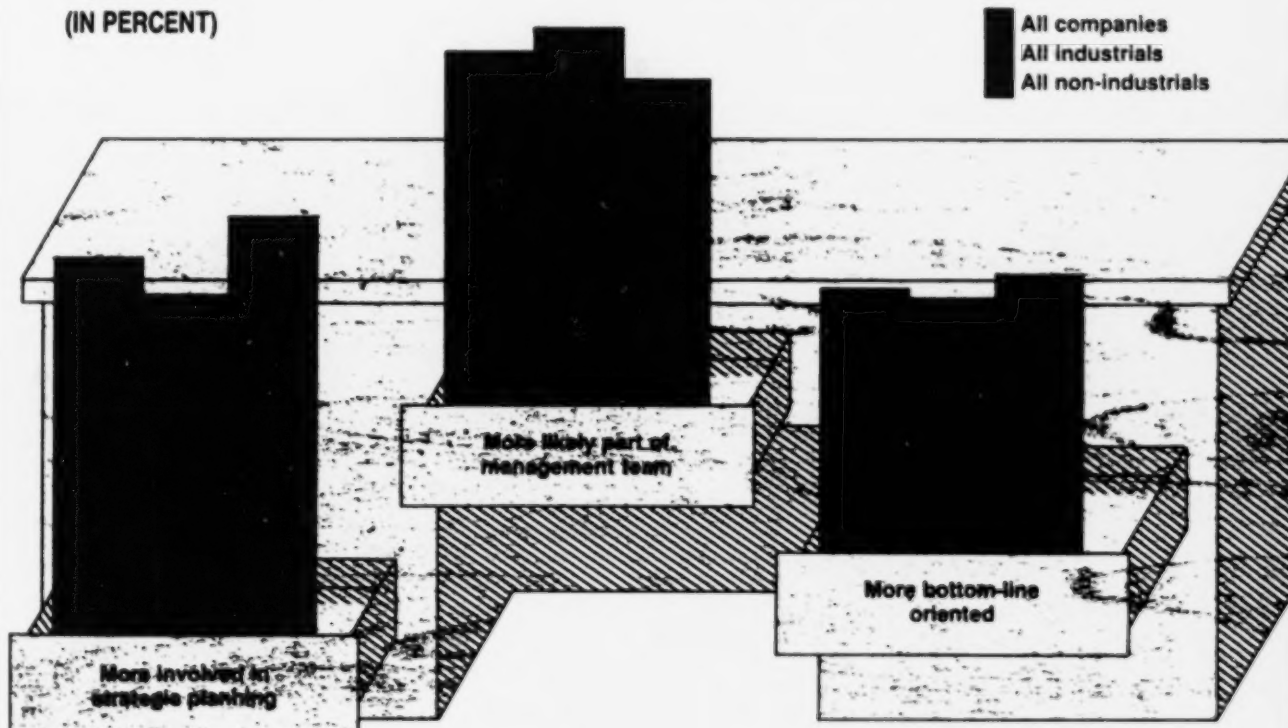
Shift of Status

Responsibility for training and development is moving upward in many organizations as top executives increase their support and recognition of its contribution, and training managers increase their ability to prove programs effective and sell them to management. A report by Heidrick and Struggles notes that the administrative role of human resource executives is decreasing while the executive role is increasing (see Figure 6).

It is clear from studies measuring salaries and titles of human resource development executives that the function is creeping upward in some organizational hierarchies. This is especially true in companies where the CEO values its contribution to business and market goals. GE's Jack Welch says, "The job of the human resource people is to be a level higher in credibility than everyone else."

6

CHANGES IN THE ROLE OF HUMAN RESOURCE EXECUTIVES, 1980-1984 (IN PERCENT)



Results do not add to 100% due to multiple responses.

Source: Human Resources, Function in Transition, Heidrick and Struggles, Inc. 1984

The Conference Board found that several of the corporations it surveyed had created a new corporate training and development function in the past five years. IBM did so, for example, to better coordinate its numerous training and education centers. At Beatrice, the new corporate function was established to initiate a management development program.

Many other companies are increasing the size of their corporate programs. At Borg Warner, for example, a Director of Education and Training was appointed to undertake new corporate functions, including the establishment of an in-house educational program for the company's top 250 executives. The new function is also to provide training to high-potential managers, and to be responsible for existing training programs for middle-level managers.

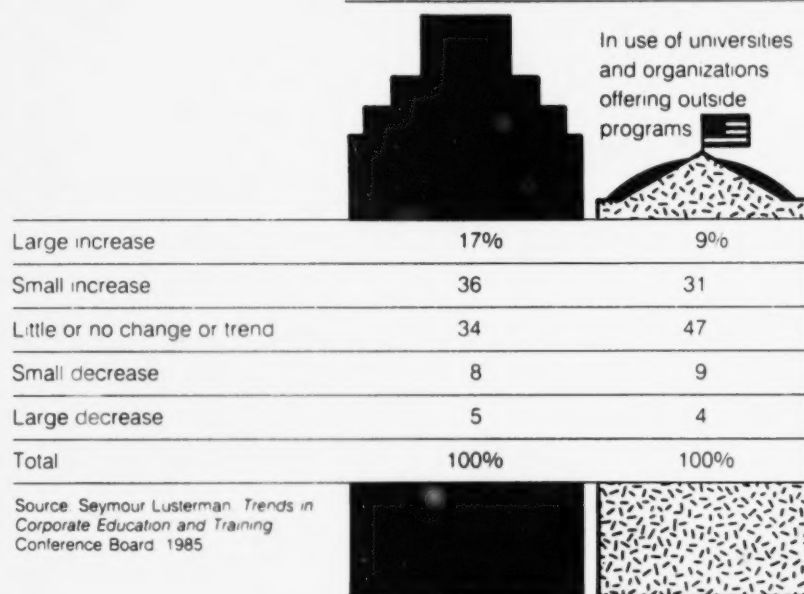
Trainers are enjoying more organizational status, as well as more decision-making authority,

more budget control and more respect. These areas were measured in a survey which concluded that top managers see more value in training than previously. Reported salaries reflected this shift.

A long-term, comprehensive study of compensation in human resource development by Abbott, Langer and Associates, shows a sharp jump in median salaries, especially at the high end of the scale. A composite HRD practitioner (controlling

7 CHANGES IN USE OF OUTSIDE TRAINING RESOURCES

Percent of companies reporting change



domestic and international HRD in a manufacturing or petroleum company with 10,000 or more employees, who has more than 20 years HRD experience and supervises 25 or more people) earned a median salary of \$59,400 in 1981, \$84,000 in 1983, and \$130,000 in 1985. At the low end of the scale the figures are \$9,700 in 1981, \$11,000 in 1983 and \$13,400 in 1985. (TDJ, May, 1981, May 1983 and March 1985.)

Surveys by Hay Associates and ORC support the notion that the human resource function is needed more where companies perceive a crisis of leadership and performance. Both groups surveying employees' attitudes found grave concern over these areas and recommended human resource solutions.

With need comes value, and the human resource function is beginning to benefit from its ability to demonstrate tangible results, to provide vital skills and for its strong contribution to corporate goals. Companies surveyed by the Conference Board note an increase in professionalism in training staff.

Shift of Provider

Even as training and education programs are increasing in companies, more are being contracted to outside instructors and consultants. The Conference Board noted such increases at more than half the companies surveyed (Figure 7). Private outside contractors were selected as a cost-effective alternative to using internal staff for training or to obtain expertise not

available in the company.

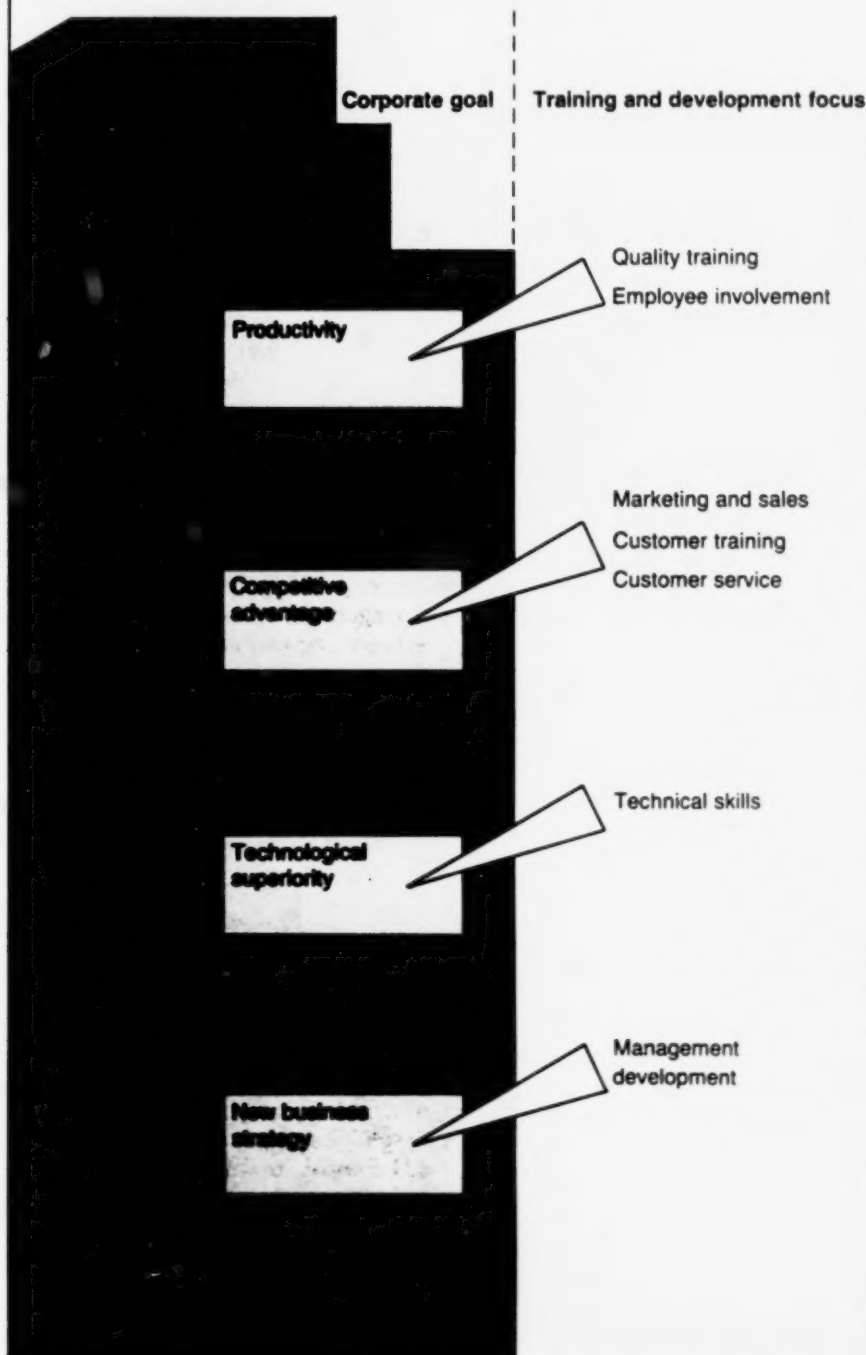
Universities and other institutional sources of outside programs were also used more often in the past five years for similar reasons. In some cases, companies have special relationships with colleges to provide particular kinds of training. Xerox, for example, uses the Rochester Institute of Technology to provide its engineers with specialized training they need to keep up with new technology.

While some companies are contracting out more training, others are consolidating education efforts through corporate colleges. According to the Carnegie Foundation, the number of corporate colleges granting their own degrees is increasing. At present 18 such institutions exist. The Foundation reports that "in the near future, five corporations plan to start at least nine more degree-granting programs in management, semiconductor design, systems engineering and business administration. And by 1988, eight (additional) corporations propose to offer about 20 more college level degree programs."

The growth of training activity in recent years includes greater use of managers and others outside the training department to plan and deliver training. The Conference Board found that the amount of time such personnel devoted to instruction and program planning had increased in seven out of ten firms, and that four-fifths were making wider use of nonspecialists to augment the training staff. Reasons vary for using nonspecialists. At J.C. Penney, for example, specialists in training, merchandising and

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TRAINING AND DEVELOPMENT IN RELATION TO CORPORATE GOALS FOCUS



video combined expertise to produce a program to train buyers in automated inventory management. At Lechmere Sales, Inc. specially-trained sales managers in the firm's retail stores train subordinates in job skills identified by master performers.

Shift of Content

The major factors affecting corporations today—technology, the shift to an information-based economy, and international competition—are influencing the content of training and development programs, which more often than in the past support specific company needs and goals (See Figure 8).

Where productivity is a critical need, training focuses on team productivity and quality training. Where competitive advantage is a corporate goal, there is program growth in areas such as marketing and sales, customer training, and customer service.

Where technological superiority is a goal, training efforts focus on the skills and knowledge of technical personnel. Technical skills updating, along with information-age skills, are cited frequently as important growth areas. "More and more of our jobs call for knowledge-workers," says an energy company trainer. Typists are learning to use word processors; sales clerks to operate computerized cash registers; plant workers to use computer-controlled equipment.

Communication training is increasing, particularly when it is tied to the development and transmission of corporate culture and to better motivation through performance appraisal.

Leadership, management and supervisory development are the subject of a strong majority of formal training programs today, according to a number of surveys, and studies by the Opinion Research Corporation and by Hay Associates suggest that even more is needed. Typical are giants such as GE where the development of managers as entrepreneurs is an important corporate goal affecting the content of training and development programs. The Conference Board finds that "most newly created management development programs are designed primarily for lower- and middle-level managers. Existing programs are expanding their reach upward."

Shift of Recipient

Who is getting the \$30 billion worth of formal training and who is likely to get it in the future?

Line managers currently get the lion's share of formal training. One survey (*Training* magazine, 1985) found that executives, senior managers, middle managers, supervisors and professionals all received proportionally more formal training than employees at lower levels.

The survey measured mean hours of training by industry and found that organizations in wholesale/retail trade, public administration, finance, insurance and banking deliver heavily to executives. Manufacturing organizations do the most training of sales reps, while transportation, communications and public utilities organizations concen-

trate on professionals and customer service employees. In banking, finance, and insurance organizations, it is senior managers who get more hours of training than other groups of employees.

Where companies are changing strategic direction or trying to manage better with fewer managers, management development will be critical, possibly even mandated. However, where technological competence or skills updating are more important, training is likely to increase among nonmanagerial employees. Other mandated training will probably include sales and customer service training and quality circle training.

Shift of Methods

Corporations are more demanding and have more sophisticated expectations about what training should do. They want practical programs tied to corporate goals and their expectations are affecting training methods. The Conference Board reports that companies are paying more attention to assessing training needs and defining training goals than previously. And they are selecting participants carefully and evaluating the outcome of the training.

Training Technology

Methods for delivering training appear to be changed most by developments in training technology, though not to the extent once predicted. Classroom-based instruction, delivered by one person to a group of learners, is giving way to many other methods, most of them involving some form of technology.

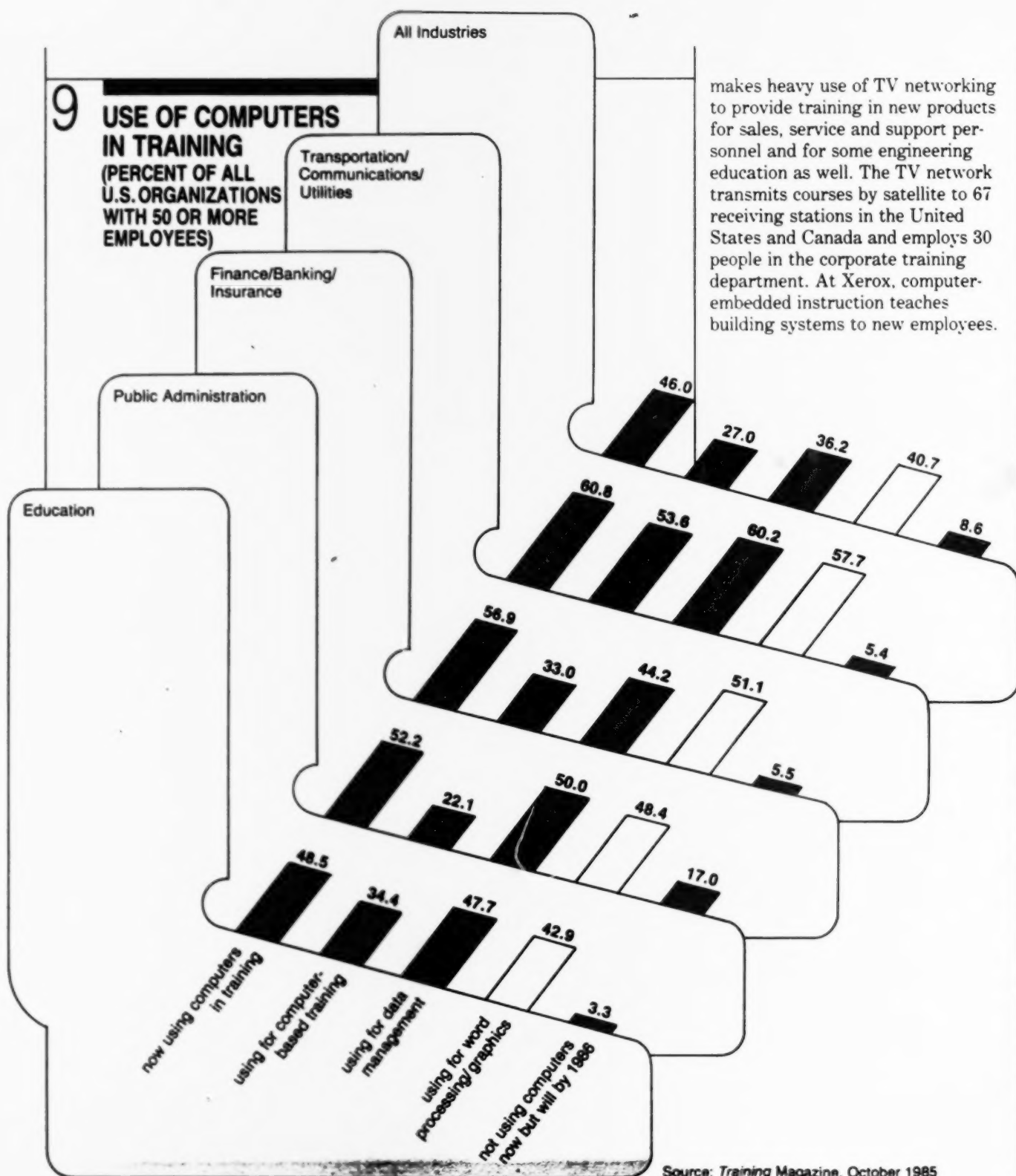
Computer-based training is increasing but modestly when compared to expectations. *Training* Magazine reports that the training market appears to be more interested in using computers for management and word processing functions than for delivering instruction. They found that 46 percent of the companies they surveyed used computers during 1984 in some way and that computer use had increased 25 percent from the previous year. However, not all of the computers were used for computer-based instruction. Only 27 percent of the companies did so in 1984 and 22 percent in 1983 (See Figure 9). A mere 8.6 percent said they planned to use computers for training in 1985, suggesting that CBT will experience the same slow proliferation rate that has affected computer usage as a whole recently.

Interactive video—a computer hooked up to a video disc or tape—is used by only 11 percent of the companies that *Training* surveyed. Of that small group, only 2.6 percent used interactive videodisc programs. Most used some form of videotape for instruction.

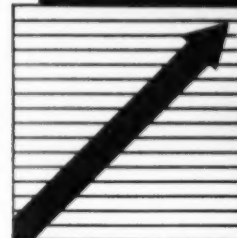
Training delivered with the help of some form of technology is often easier to control, sometimes cheaper to deliver, more easily kept up-to-date, and is more responsive to individual needs. As its benefits appreciate, its use will grow. Some companies are already committed firmly to non-classroom instruction. Hewlett-Packard, for example,

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USE OF COMPUTERS IN TRAINING (PERCENT OF ALL U.S. ORGANIZATIONS WITH 50 OR MORE EMPLOYEES)



Source: Training Magazine, October 1985



ASTD's Role

Recent economic and technological changes, and changes in the very nature of work, have forced business institutions to redirect themselves. The ability of people to develop more pro-

ductive skills and behavior given skillful applications of training is a major rediscovery of the contemporary corporation. As a result, human resource development activities are no longer a group of diverse practices at the periphery of a few organizations. The size, scope, and importance to the American economy of work-related learning is at last being widely recognized.

The human resource development field has moved far beyond simply teaching specific skills to workers. Its scope has expanded to include the solution of critical organizational problems, the meeting of competitive challenges in the marketplace, and the seizing of new business opportunities.

ASTD must respond to and even anticipate these changes, for its chief operating environment is the contemporary workplace. As a professional society it must not only promote and support such change, but must assume responsible leadership in giving direction to the process.

A professional society that supports and assists growth and change must also accommodate its own need to grow and change. ASTD has enjoyed more than 40 years of steady growth as the representative of an emerging profession. Once exclusively an association of training directors, it now represents a much broader group. Its mission is to serve

all those who apply learning to the goals. Its mission is to serve all those who apply learning to the goals of productive and satisfying work, no matter what title they may have.

To this diverse group, ASTD delivers products and services designed to enhance the profession and its practitioners at all levels. Through its new directions, reflecting the growth change of profession, ASTD wants a lifetime affiliation with all those who develop the competence, productivity, and fulfillment of people at work.

ASTD and its members believe that human development is critical to organizational effectiveness and that organizations have a responsibility to provide such development, though it remains the individual's responsibility to grow and change as a result. Support for these beliefs must be collaborative and characterized by innovation, flexibility and excellence. ASTD is a model for these beliefs.

Within ten years, ASTD, already the acknowledged leader in human resource development, will serve the needs of all those who manage and develop people at work. It will promote learning as that which empowers people and organizations to change for the better. And it will promote a dynamic and productive society by its efforts to support the quality of work life and to increase organizational effectiveness.

New Strategies

Consistent with its mission, ASTD has developed seven strategies to cover the next five years (1985-1990) of its own growth. The strategies acknowledge these major trends in the human resource development field: its remarkable growth in size and scope; its widespread practice by a new generation of managers and professionals; and its recognition as a contributor to corporate goals.

Representation

ASTD's new strategies call for an ambitious representational role for the Society. It wants nothing less than to represent the field of human resource development as it grows in importance in our society. ASTD wants to reach those who make and influence decisions at a national or corporate level and make them aware of the size, scope and importance of human capital development. As the profession expands, and gains recognition, ASTD should shape the formation of a national human resource policy.

At the same time, ASTD wants to represent practitioners of training and development by telling their story and the story of their achievements and their contributions to national productivity. It is they, after all, who give life to the notion that an individual can be developed through learning to contribute to the productivity of the organization. ASTD wants to represent practitioners to policy makers and corporate leaders, but also to other providers of employee education with whom ASTD should form coalitions for the formation of a national human resource policy.

Research

As human resource development comes of age as a sophisticated system for producing productive, competent and fulfilling work, it should be able to point to a foundation of research about its achievements, its size and scope, and its potential to affect the marketplace.

ASTD intends to give direction to research needs in the human resource development field and to create a research agenda that will support the credibility of the field in the business and academic communities. HRD professionals must speak the highly rational language of business as well as the highly intuitive language of humanism.

ASTD will act as a referral agent to others interested in investigating work-related learning and behavior change. In a global marketplace, the field must not be isolated from theoretical developments in other countries, nor must it isolate itself from others.

Customer/Consumer

As the development of human capital becomes a goal of more and more organizations, the training function is being taken up at higher, broader levels. As growing numbers of people provide work-related learning, ASTD intends to meet the needs of this expanding group by representing not only those who build the field but those who make use of it.

ASTD will help the human resource development practitioner serve all those who make use of training and development theories

and practices whether they be individuals or institution. It will provide state-of-the-art products to help organizations manage their human resources for maximum productivity.

The Market

At present, ASTD represents more than 50 thousand training and development professionals through its national and chapter membership programs. This is a long-standing mutual partnership that enhances the profession and serves those in it.

However, as human resource development becomes prominent in contemporary work life at broader and higher levels, ASTD must, as a market-driven organization, carefully re-examine the key segments of its constituency. In addition to retaining the members it currently serves, ASTD will increase its market penetration to build a greater market share among practitioners and advocates of human resource development.

ASTD will build its market share by developing more products, especially for those at advanced levels of professional practice. It will also build a more mutually beneficial relationship between the national association and regional chapters. And finally, ASTD will build a link with employers who hire HRD professionals and use HRD principles to achieve strategic goals. It will explore the uses of HRD by such organizations and experiment with new products aimed at serving the corporation interested in human capital development.

By increasing its share of the human resource development mar-

ket, and by serving this market with more precision and responsiveness, ASTD will achieve the growth it believes essential to its role as the international representative of the human resource development profession.

Serving the Senior Level

Over the next five years, ASTD will increase its share of a target market that includes senior as well as entry-level HRD specialists. Its goal is to help senior level people in particular to serve their organizations more effectively by offering products relevant to their specialized interests.

At the same time ASTD will help enhance the position of the senior practitioner by gaining acceptance among a wider audience for the goals of human resource development.

When human resource development issues become critical to an organization, it is important that its leaders turn to professionals in the field. ASTD will make sure those professionals have access to a body of knowledge and a system of practice and that corporations themselves know where to look for leadership in a field that is growing in importance in our society.

The Future

ASTD's strategic directions for the next five years are intended to make it a world leader of the multi-billion dollar corporate education industry. It will represent the profession to all those involved in the promotion of work-related learning and it will serve all those whose goal is to serve the goals of the corporation through the development of human resources.

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